# EVANS AND EVANS, INC. BROILER GROWING AGREEMENT Revised March 14, 2005

(1) year by referred to	ment is made and entered into this 13 day of HPRL, 2006 and continuing for one and between EVANS AND EVANS, INC., an Arkansas corporation (hereinafter as "Evans") and Paw Stubbs whose mailing address and whose telephone number is
(hereinafte which may	referred to as "GROWER"). All references to EVANS shall include EVANS' agents, include Peterson Farms and employees of Peterson Farms. In consideration of the enants herein contained, the parties agree as follows:
I. E'	VANS agrees:
	To deliver to GROWER approximately broiler chicks on or about as the first flock of birds to be raised under this contract, and there after to deliver broiler chicks, the number and breed of which are to be determined by EVANS in its sole discretion, to GROWER from time to time as replacement flocks subject, however, to the termination provisions hereinafter contained. EVANS will at all times retain title to the broilers.  To supply the GROWER the feed, vaccines, and medication necessary to raise said birds to processing age and/or marketable weight. EVANS will retain title to all feed not consumed by the birds. The grower will be charged for any medication (when prescribed by Evans), rodentcide, and insecticide used on the farm. The medication will be charged to the flock cost, whereas all other items will be deducted from the flock settlement.
C.	To determine when and where birds will be processed and to timely notify the GROWER of the processing arrangements.
D.	To provide recommended management practices to GROWER.
E.	To provide GROWER with copies of chick delivery tickets, feed delivery tickets,

F. Grower payment calculation:

turned in.

- 1. After the processing of each flock, EVANS will pay GROWER during the succeeding week after broilers are processed based on the following methods:
  - a. GROWER will be paid on a per pound basis for his live broiler weight less the total Whole Bird Condemned Pounds for disease.

scale tickets, condemnation reports, settlement sheets, and mortality cards as they are

- b. All broilers slaughtered in the calendar week will be used to compute the GROWER'S payment for the week. The payment to the GROWER is on a fractional cents per pound basis, and will be calculated according to the GROWER'S Cost exclusive of payments to the GROWER.
  - i. In determining the GROWER'S Cost, feed will be charged a 10 cents per pound; baby chicks will be charged at 10 cents per chick. Medication will be charged at cost.

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- ii. The cost of each flock of broilers slaughtered during the week will be determined and a listing will be prepared showing the GROWER'S name and his cost. Said listing will be LIST NUMBER ONE, and will be made from the lowest to the highest cost per pound. From this list, three additional lists (LISTS TWO, THREE AND FOUR) will be produced to pay Growers.
- iii. LIST NUMBER TWO will be produced excluding all growers with flock costs two (2) cents or greater than Middle Grower Cost as calculated and determined in accordance with this Contract, to prevent irregular spreads from adversely influencing grower pay for other growers. These excluded growers with irregular costs will receive the minimum grower pay under this Contract as set forth in Subsection 3 below.
- iv. LIST NUMBER TWO will be used to determine Grower Pay for farms owned by EVANS' AND/OR PETERSON FARMS, INC. (i.e. "company farms")
- v. LIST NUMBER THREE will be produced excluding both those Growers excluded from LIST NUMBER TWO and also EXCLUDING FARMS OWNED BY EVANS' AND /OR PETERSON FARMS, INC. LIST NUMBER THREE will be used to determine Grower Pay for farms owned by EVANS' AND/OR PETERSON FARMS, INC. employees or members of their household (i.e. "employee farms").
- vi. LIST NUMBER FOUR will be produced excluding all of those Growers and farms excluded from LIST NUMBER THREE and farms excluded from LIST NUMBER THREE and also EXCLUDING FARMS OWNED BY EVANS' AND/OR PETERSON FARMS, INC. employees or members of their households. LIST NUMBER FOUR will be used to determine Grower Pay for all non-company, non-employee contract growers who have regular costs, or in other words, who have costs that are less than two (2) cents from Middle Grower Cost as calculated and determined in accordance with this contract.
- vii. If there is an even number of growers settling, the two middle growers' cost will be averaged and this will be the middle cost.
- viii. The middle cost thus determined will receive .0440 cents per pound live weight passing USDA inspection.
- ix. If the GROWER'S Cost is more than the middle cost, the middle cost will be subtracted from GROWER'S Cost and the resulting difference will be deducted from .0440 cents to determine GROWER'S payment.
- 2. There will be a fuel allowance computed as follows: one way miles to GROWER'S location multiplied by two (2) to obtain roundtrip miles. The roundtrip miles are then divided by 3.04 to obtain gallons used. Gallons are multiplied by 7.15lbs. per gallon to obtain the pounds. The resulting number of pounds is added to net weight.
- 3. The minimum amount paid to the GROWER will be .0330 cents per pound. Other pay will vary depending on the housing/equipment specifications that the farm has met. The proper Addendum is attached to this agreement.

### IL GROWER agrees:

A. To supply all land, buildings, equipment, labor, water, fuel, electricity, spray material, litter and other facilities and supplies necessary to properly care for and raise chicks to broiler processing age, be present when chicks are delivered and when broilers are picked up for processing, to establish and maintain good roads to his broiler houses which are easily accessible to trucks, and to make necessary preparations for use of mechanical loaders. GROWER will be charged the cost of any towing and/or repair expenses for any equipment of EVANS that is damaged as a result of poor road conditions or access to the GROWER's farm.

- B. To put forth his very <u>best efforts</u> to care for the birds, and to apply in good faith the recommended management practices outlined to him by qualified representatives of EVANS until birds are sold, including practices outlined in the most current edition of the EVANS Broiler Handbook.
- C. To use only feed, feed supplements, medications and vaccines approved by EVANS, and to feed and care for chickens raised under this contract according to the directions, rules, and requirements of EVANS' feeding, management, biosecurity and sanitation programs for broilers. No feeds, feed supplements, medications, vaccines or other sup plies furnished by EVANS will be used by GROWER for any purpose other than the raising of chickens under this contract.
- D. To accurately keep and transmit as required any and all records requested by EVANS pertaining to GROWER'S operations under this contract.
- E. To remove all dead birds and dispose of them in accordance with good poultry hus bandry and any applicable Best Management Practices, and applicable Local, State and Federal Laws, and to immediately apply to the Department of Conservation and Recreation, the Department of Environmental Quality, the local county extension ser vice, or other appropriate governmental agency to develop a Nutrient Management Plan for his farm, and to follow all regulations and any permit requirements pertaining to such disposal.
- F. To dispose of litter in accordance with Best Management Practices, and applicable Local, State and Federal Laws, and to immediately apply to the Department of Conservation and Recreation, the Department of Environmental Quality, the local county extension service, or other appropriate governmental agency to develop a Nutrient Management Plan for his farm, and to follow all regulations and any permit requirements pertaining to litter disposal. Such Plan shall be obtained within a time frame that meets any and all deadlines set by law or regulation of any governing body that has jurisdiction over the GROWER'S property.
- G. To provide with a copy of his Nutrient Management Plan, as well as any later modifications thereto, and to provide EVANS with a copy of any periodic reports that the GROWER is required to provide to any local, state, or federal agency as might pertain to such Plan.
- H. That all poultry litter produced by the birds covered by this Agreement shall be the exclusive property of the GROWER, and the GROWER shall be responsible for and receive all of the economic benefits from the use and disposal of said litter, to the extent they exist.
- I. Not to allow or have any other poultry or fowl on the GROWER'S property at any time.
- J. To provide adequate access to EVANS at all times to the GROWER'S premises, in which EVANS birds are grown so that EVANS may deliver feed, chicks, supplies and inspect the birds and premises, GROWER's records, including controller access (with a minimum of read capability).

- K. To provide a person to be present and to physically assist in unloading chicks in such a manner as to help to assure each house is unloaded in a reasonable amount of time. If GROWER fails to provide such a person or otherwise fails to provide unloading assistance as prescribed, a charge of per house will be assessed to GROWER. GROWER further agrees to remove an equipment prior to catching and to make his best efforts to be present during the catching and loading operation. How ever, if GROWER chooses not to be present, GROWER agrees to accept the number of smothered without contest.
- L. To follow the Federal Insecticide, Fungicide and Rodentcide Act of 1947, as well as, appropriate EPA, USDA, State, and EPA regulations.

## III. CONDITIONS FOR TERMINATION:

- A. If any of the following exigent acts or events occur this contract will, at EVANS' sole discretion, immediately terminate, and the GROWER does hereby grant unto EVANS the right to come upon the premises where the birds are situated, without court order or other writ, and to immediately take possession of all broilers, feed, medication and sanitation products placed with the GROWER and to dispose of same as EVANS in its sole discretion, will determine, to wit:
- 1. In the event EVANS feels that its employees, agents or property is threatened by the manner in which the GROWER performs this contract.
- 2. In the event the GROWER for any reason removes, or attempts to remove from the GROWER'S premises the broilers, feed, medication, vaccines or other supplies.
- 3. In the event the GROWER in any manner encumbers, sells, or assigns said broilers, feed, medication, vaccines or other supplies, or attempts to do the same.
- 4. In the event EVANS, in its sole discretion, has reason to believe the GROWER is not fol lowing the EVANS feeding, management, biosecurity and/or sanitation programs or is im properly or neglectfully feeding, watering, or otherwise caring for said broilers.
- 5. In the event a GROWER placed on the EVANS IMP program fails to perform in accordance with the terms of that program.
- 6. In the event the GROWER rents, leases, sells, abandons or otherwise relinquishes the responsibility for the care of the broilers or the poultry farm.
- 7. In the event the GROWER breaches any substantive term or condition of this Agreement, including the failure to use good poultry husbandry practices and to care for any flock using reasonable and ordinary skills.
- 8. In the event GROWER fails to cooperate with EVANS personnel, including the use of abusive or threatening language or other threats of physical harm to EVANS employees or agents in the performance of their duties.
- 9. In the event GROWER fails to comply with applicable federal, state, or local laws or regulations, or any applicable Nutrient Management Plan (or in the interim, Best Management Practices), and/or any applicable permit requirements.
- 10. In the event GROWER fails to obtain a Nutrient Management Plan for his farm from an appropriate governmental agency within a time frame that meets any and all deadlines set by law or regulation of any governing body that has jurisdiction over the GROWER'S property.
- 11. In the event EVANS discovers that GROWER is not following any requirements set forth in his Nutrient Management Plan, or in the interim, is not following Best Management Practices on his farm.

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## IV. Both EVANS and GROWER agree:

- A. <u>Disclaimer of Warranties:</u> EVANS DOES NOT WARRANT QUALITY, MERCHANTIBILITY, FITNESS FOR A PARTICULAR PURPOSE OR OTHER WISE WARRANT IN ANY MANNER ANY PROPERTY OR EQUIPMENT DE LIVERED TO OR RECOMMENDED TO THE GROWER.
- B. Sale of Farm: If GROWER chooses to sell the farm where birds are placed under this agreement, EVANS' obligations stop after GROWER'S last flock has settled. EVANS has no obligation to place birds on the farm for or otherwise contract with the pur chaser of GROWER'S farm or house(s). If a purchaser desires to grow broilers with EVANS, a new contract may be arranged with the purchaser on approval of the condition of the house(s), equipment, and the processing needs of EVANS, along with proof of possession of the farm.
- C. <u>Duration:</u> It is expressly understood and agreed between the parties hereto that the term of this Agreement shall be for ONE (1) YEAR, and the terms of this Agreement apply as to any and all birds delivered by EVANS during that period.
  - GROWER may cancel this Agreement at the end of any flock for any reason by notifying EVANS in writing at least 15 days prior to the placement of the next flock. Said notice shall be provided to the Broiler Production Manager at the following address:

P.O.Box 248
Decatur, AR 72722

 Absent the existence of any of the conditions set forth in Section III of this Agreement, EVANS cannot terminate the Agreement prior to the end of the expiration of this Agreement absent the consent of GROWER. However, EVANS is under no obligation to enter into any subsequent agreements with GROWER.

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- D. EVANS reserves the right to determine the number and type of birds to be placed and the timing of such placements in the CONTRACT GROWER'S facilities under this Agreement.
- E. GROWER may be present to observe the weighing of the feed prior to delivery and to observe weighing of his birds after they are caught.
- F. In the event of catastrophic loss of birds anytime prior to the time they are picked up from the GROWER'S premises, including an Act of God, GROWER assumes any losses due to expenditure of labor, use of land, facilities, and equipment, and the cost of any fuel. EVANS assumes the loss of the cost of the chicks, feed and other supplies furnished by EVANS to date of loss.
- G. THIS AGREEMENT, ALONG WITH ANY SCHEDULES, ADDENDUMS OR AMENDMENTS, CONSTITUTES THE ENTIRE AGREEMENT BETWEEN THE PARTIES AND SUPERSEDES ANY AND ALL PREVIOUS AGREEMENTS, AND ANY SUCH PREVIOUS AGREEMENTS ARE HEREBY EXPRESSLY REVOKED BY THE PARTIES. NO REPRESENTATION OR STATEMENT MADE BY EITHER PARTY NOT CONTAINED HEREIN SHALL BE BINDING ON THE OTHER. GROWER AGREES THAT STATEMENTS MADE BY EVANS' FIELD SERVICE MAN OR OTHER REPRESENTATIVES CONTRARY TO THIS AGREEMENT ARE NOT ENFORCEABLE AND THIS AGREEMENT CAN ONLY BE MODIFIED BY A WRITTEN INSTRUMENT SIGNED BY GROWER AND AN AUTHORIZED REPRESENTATIVE OR AGENT OF EVANS. GROWER UNDERSTANDS THAT NO REPRESENTATIVE OF EVANS HAS THE AUTHORITY TO MAKE AN ORAL AGREEMENT FOR SUCCESSIVE FLOCKS OR IN ANY OTHER ORAL MODIFICATION OF THIS AGREEMENT.
- H. EVANS and GROWER agree that this agreement shall become binding only when executed by an authorized representative of EVANS. EVANS and GROWER further acknowledge and agree that this agreement shall be interpreted and construed in accordance with applicable federal laws and/or the laws of the State of Arkansas and all parties to this agreement agree to submit themselves exclusively to arbitration for any controversy, dispute or claim arising out of or relating to this agreement, or the interpretation of this agreement. In the event the arbitration provisions set forth herein are deemed void for any reason, the parties agree to submit themselves exclusively to the jurisdiction of the federal and/or state courts located in Benton County, State of Arkansas, in the event of any controversy, dispute or claim arising out of or relating to this agreement, or the interpretation of this agreement.

## V. INTENSIFIED MANAGEMENT PROGRAM (IMP)

Effective February 1, 2005 if GROWER's most recent 6-flock average exceeds the middle cost by or greater, GROWER will be placed on EVANS' Intensive Management Program (IMP) for the next three flocks. Once a GROWER's farm is placed on the IMP program, a new 6-flock average will start with the three flocks in the IMP, and the following performance criteria will apply:

A. GROWER's standard cost must be at least ents or better than the average cost of all GROWERS within their settlement group for two consecutive flocks.

**Example:** Average cost is cents, the IMP Producer's cost for two consecutive flocks, must be cents or less to be removed from the program.

B. The Producer's standard cost for the three flocks on IMP must average (or less) of the average cost within their settlement group.

**Example:** Average cost is cents, the IMP GROWER's average cost for the three flocks, and for two consecutive flocks, must be cents or less, to be removed from the program.

- C. If GROWER's standard cost on the three flocks in the IMP does not meet the above mentioned requirements, EVANS will discontinue placing chicks on GROWER's farm.
- D. If GROWER's first flock settled while on IMP is not within their settlement group, the placement density for the second flock will be reduced by 5% of the standard placement for the farm. Before placement of the second flock a meeting between Grower, the ser vice technician and the broiler manager will be held in the live production office to discuss the results of the first IMP flock.
- E. If GROWER's second flock settled while on IMP is not within ents or less of the average cost of all GROWERS within their settlement group, the placement density for the third flock will be reduced by 10% of the standard placement for the farm. Before placement of the third a meeting between the grower, the service technician, and the broiler manager will be held in the live production office to discuss the results of the first and second IMP flocks.
- F. GROWER may only enter the IMP program one time in a **single three year period** (because this contract is only a ONE YEAR CONTRACT, this assumes that the GROWER will receive additional contracts in later years. It is noted that EVANS makes absolutely no promise, representation or other statement that it will contract with GROWER again when this contract concludes one year from now). If GROWER's 6-flock average exceeds the middle cost by tents for the second time in a single three year period, EVANS will discontinue placing chicks on GROWER's farm.

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- G. EVANS reserves the right to amend in writing the IMP and the criteria used to place farms in the IMP from time to time. Any changes to this Broiler Performance Policy must be in writing and signed by both GROWER and the Broiler Manager. No oral understanding contrary to the written terms contained herein shall be binding on either party.
- H. The 6-flock average will include all flocks produced under this Broiler Growing Contract and under any prior Broiler Growing Contracts.

# VI. Compliance with All Applicable Laws

The GROWER agrees to dispose of Poultry Litter, dead birds and any other such materials or byproducts of his operations in accordance applicable state and federal Environmental Laws, and to work in good faith with the appropriate Governmental Authorities to immediately apply to develop, implement and maintain a current Nutrient Management Plan for his farm, and to follow all applicable Environmental Laws pertaining to Poultry Litter disposal or Land Application of Poultry Litter. In the interim between the effective date of this Agreement and the implementation of a Nutrient Management Plan, the GROWER agrees to observe customary Best Management Practices that are in accordance with the applicable Environmental Laws. Although specific applicable law should be consulted by the GROWER, these Best Management Practices generally include the following (as complied by the Cooperative Committee for Poultry Farm Litter and Waste Disposal - comprised of members of the Arkansas Poultry Federation, Soil Conservation Service, Arkansas Department of Pollution Control and Ecology, Arkansas/County Extension Service and Arkansas Soil and Water Conservation Service):

- A. Poultry Litter should not be stored outside unless proper runoff controls are provided for collection and containment of rainwater that comes in contact with stored Poultry Litter.
- B. Poultry Litter should be evenly distributed over Land Application sites at a rate not to exceed 5 tons per acre per year, with no more than 2.5 tons/acre in each application. (As a rule of thumb, 30 acres for one 16,000 sq. ft. house per year).
- C. Land Application of Poultry Litter should not be undertaken when soil is saturated, frozen or covered with snow, or during rainy weather or when precipitation is in the immediate forecast.
- D. Poultry Litter should not be applied on slopes with a grade of more than 15% or in any manner that will allow it to enter waters.
- E. Surface and subsurface application of Poultry Litter should not be made within 25 feet of rock outcrops, 100 feet of streams, ponds, lakes, springs, sinkholes, wells, water supplies and dwellings.
- F. Records should be kept by the farmer of the dates, quantity and specific sites where Poultry Litter is applied, or if the Poultry Litter is sold, a record should be kept of who buys the Poultry Litter, the dates quantities and farm or sites where the Poultry Litter is applied or utilized.
- G. Vehicles used for transporting Poultry Litter should be covered or tarped.

## VII. INDEMNIFICATION

The GROWER hereby agrees to defend, indemnify and hold harmless EVANS, as well as its respective shareholders, officers, agents and employees, against any claims, debts, setoffs, liens, judgments, demands, causes of action, costs, liabilities and/or expenses (including, without limitation, reasonable attorneys' fees) which may arise as a result of a breach or default by the GROWER of any of its representations, warranties or obligations contained herein, or as a result of any act or omission for which the GROWER otherwise has responsibility under this Agreement.

### VIII. INDEPENDENT CONTRACTORS:

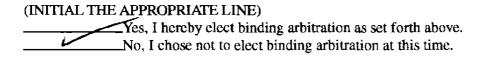
It is expressly understood and agreed by the parties hereto:

- A. The GROWER accepts full and exclusive liability for the payment and agrees to pay and indemnify and save EVANS and its assigns and agents harmless from any and all claims, causes of actions, or other liability which might result from GROWER'S op eration in producing broilers as an independent contractor, including but not limited to all claims for federal, state and local taxes of any kind whatsoever, Workers' Compensation Insurance, Unemployment Compensation Insurance, Old Age Benefits or An nuities, as to himself and all persons engaged in the performance of this contract on behalf of the GROWER. Said claims and taxes shall be paid directly by GROWER.
- B. That the GROWER, his agents and employees will not be considered to be employees of EVANS and its assigns and agents for any purpose whatsoever.
- C. That EVANS is not liable and is not responsible in any manner for anything not spe cifically agreed to as an obligation of EVANS under the express terms of this Agree ment. The GROWER hereby agrees to defend, indemnify and hold harmless EVANS, as well as its respective shareholders, officers, agents and employees, against any claims, debts, setoffs, liens, judgments, demands, causes of action, costs, liabilities and/or expenses (including, without limitation, reasonable attorneys' fees) arising from GROWER's debts, obligations, contracts, materials, liens, supplies or anything not specifically agreed to as an obligation of EVANS under the express terms of this Agreement.

#### IX. **ARBITRATION**

By initialing one of the lines below, CONTRACT GROWER shall indicate CONTRACT GROWER'S choice of whether to settle all disputes by binding arbitration as set forth herein:

ANY CONTROVERSY OR CLAIM ARISING BETWEEN THE PARTIES, INCLUDING, BUT NOT LIMITED TO DISPUTES RELATING TO THIS AGREEMENT, OR OF ANY BREACH OF THIS AGREEMENT, SHALL BE SETTLED BY BINDING ARBITRATION IN ACCORDNACE WITH THE COMMERCIAL RULES OF THE AMERICAN ARBITRATION ASSOCIATION. This Agreement to arbitrate shall continue in full force and effect despite the expiration, rescission or termination of this Agreement. By entering into this Agreement, the parties have waived the right to have their dispute tried and adjudicated by a court of law. Judgment upon the award rendered by the arbitrators may be entered in any court having jurisdiction thereof.



# **Broiler Grower Housing Pay Class By House Type**

[Class A Housing]				[Class C Housing] Conventional Static			
New I		ddendum Add Guarantee		lousing	Pressure Test		
House #	Sq. Ft.	Sq. Ft.	Sq. Ft.	Sq. Ft.	Reading		
1		16000			,15		
2		12960			<u>.,14</u>		
3		12760			.14		
4		Keow		<u></u> -	.13		
5	-16000	16000		<del>.</del>	.14		
6	16000	16000	<del></del>		14		
7		. <u> </u>					
8				<del></del>			
		Total		•			
Total		91792			100%		
%							
		dums must be atta in not required on		ng.			
CONTRA	CT GROW	ER'S SOCIAL SE	CURITY NUN	MBER:			
Executed t	this	3 day of APR	16 , 20 <u>06</u>	<u>'</u> .			
EV	ANS AND	EVANS, INC.		ONTRACT G	ROWER		
P/: 😾	ewh Con	~		Tae	374		
Title:	Broiler	Manager	•				

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## EVANS AND EVANS, INC. BROILER GROWING AGREEMENT Revised November 1, 2003

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This Agreement is made and entered into this 4 day of Frouter, 204 by and
between EVANS AND EVANS, INC., an Arkansas corporation (hereinafter referred to as
between EVANS AND EVANS, INC., an Arkansas corporation (hereinafter referred to as "Evans") and Charles Technology (Lymbose mailing address is
1410 5 Upon late for bought it and whose telephone number is
479-75-768 (hereinafter referred to as "CONTRACT GROWER"). All
references to EVANS shall include EVANS' agents, which may include Peterson Farms and
employees of Peterson Farms. In consideration of the mutual covenants of Evans and Contract
Grower as set forth below. Evans and Contract Grower agree as follows:

### A. EVANS' OBLIGATIONS: Evans agrees:

- 1. To provide CONTRACT GROWER with chicks at no cost to CONTRACT GROWER. CONTRACT GROWER understands that EVANS retains title to said chicks.
- 2. To provide and deliver feed to CONTRACT GROWER as needed to grow birds to marketable weight. EVANS will retain title to all feed not consumed by the birds.
- 3. To provide all veterinary and technical services as needed.
- 4. To provide medications as needed for the care and treatment of the birds. Note: Do not use any medications unless approved by EVANS' technical services.
- 5. To provide CONTRACT GROWER with copies of chick delivery tickets, feed delivery tickets, scale tickets, condemnation reports, settlement sheets, and mortality cards as they are turned in.
- 6. To provide scales used in weighing poultry and feed to insure accurate weights. EVANS will employ qualified persons to operate all scales.

### B. CONTRACT GROWER'S OBLIGATIONS: Contract Grower agrees:

- 1. To furnish all labor, housing, fuel, water, litter, cleaning of broiler house(s), utilities, and equipment as needed for proper care of the birds.
- 2. To have the house(s) prepared as prescribed by EVANS for the care and feeding of the birds using good poultry husbandry practices. Care will continue until EVANS determines that the birds are to be removed.

- 3. To maintain records such as mortality charts and litter disposal records, etc., as required or requested by EVANS.
- 4. To provide well maintained roads to the poultry house(s) and feed bins with adequate turn-around space for any tractor trailer units. Failure to provide adequate roads could make the CONTRACT GROWER liable for wrecker and towing charges that may occur.
- 5. To dispose of all dead birds in a manner that is in compliance with all federal, state, and local laws.
- 6. That at no time is there to be any other poultry or fowl on the CONTRACT GROWER'S property.
- 7. That EVANS shall have the right of access at all times to the CONTRACT GROWER'S premises on which EVANS' birds are grown.
- 8. To assist in the unloading of chicks. There should be enough help to assure each house is unloaded in approximately 20 minutes.
- 9. To follow the Federal Insecticide, Fungicide and Rodenticide Act of 1947, as well as appropriate FDA, USDA, State, and EPA regulations.
- 10. To administer no feed, vaccine or medication to the birds and to use no herbicide, pesticide, rodenticide, insecticide, or any other chemical except as supplied and approved by an EVANS' service technician.
- 11. To follow recommended management practices given by EVANS' representatives in service reports, memoranda, and other communications as may be supplied from time to time.
- 12. To remove all equipment prior to catching.
- 13. To have a Farm Management and/or Litter Management Plan developed for the CONTRACT GROWER'S operation with the appropriate governmental agency. This shall be done in a time frame that meets any and all deadlines set by law or regulation of any governing body that has jurisdiction over the CONTRACT GROWER'S property, or in any time frame that is required by EVANS. CONTRACT GROWER shall follow the Farm Management and/or Litter Management Plan and should CONTRACT GROWER fail to do so, EVANS shall have the right to refuse to place additional birds with the CONTRACT GROWER.

14. To provide EVANS with a copy of the CONTRACT GROWER'S Farm Management and/or Litter Management Plan as well as any modifications thereto. PETERSON FARMS will be provided with a copy of any annual reports that the CONTRACT GROWER is required to provide to any local, state, or federal agency as might pertain to the CONTRACT GROWER'S Farm or Litter Management Plan.

# C. OTHER PROVISIONS:

- 1. It is expressly agreed and understood that this Agreement does not create nor attempt to create a partnership, either general or limited, or an agency relationship between the parties hereto, but is evidence of an independent contract. An employer-employee relationship does not exist by reason of this Agreement and neither party shall have authority to bind nor act on the behalf of the other party except as is herein specifically provided. Failure of EVANS to immediately terminate this Agreement with the CONTRACT GROWER pursuant to the terms of this Agreement shall not waive EVANS' right to terminate this Agreement at any time in the future.
- 2. Right of removal of all birds, feed, medications, and supplies furnished to the CONTRACT GROWER by EVANS remains with EVANS. CONTRACT GROWER agrees that no birds, feed, medication, or supplies will be removed from the premises or otherwise disposed of except as provided in this Agreement.
- 3. EVANS does not warrant quality, merchantability, fitness for a particular purpose or otherwise warrant any property or equipment delivered to or recommended by it to the CONTRACT GROWER.
- 4. EVANS shall have the sole right to determine when birds covered under this Agreement are to be moved or disposed of. It is understood that this could be due to any reason that in EVANS' sole opinion causes retaining the flock at the CONTRACT GROWER'S facilities to not be economically feasible.
- 5. If CONTRACT GROWER chooses to sell the farm where birds are placed under this Agreement, EVANS' obligations will cease after the CONTRACT GROWER'S last flock has settled. EVANS has no obligation to place birds with the purchaser of CONTRACT GROWER'S farm or house(s). If a purchaser desires to grow broilers with EVANS, a new contract may be arranged with the purchaser on EVANS' approval of the condition of the house(s), and equipment, the needs of EVANS, and proof of possession of the farm.
- 6. It is expressly understood and agreed between the parties hereto that the term of this Agreement shall be for 1 flock and covers any and all birds delivered by

- 7. This Agreement terminates after the flock in place is picked up. If EVANS chooses to place and CONTRACT GROWER chooses to accept a subsequent flock, all terms and conditions contained in this Agreement shall apply to that subsequent flock.
- 8. CONTRACT GROWER and EVANS may terminate this Agreement at the end of any flock for any reason by giving notice to the other party in writing at least 15 days prior to the placement of the next flock. EVANS may terminate this Agreement as of the time of removal of any flock for processing or whenever there is no flock in CONTRACT GROWER'S house(s) upon fifteen (15) days written notice (such notice to be provided at any time during or between flocks), for any of the following reasons:
  - (a) Breach of any term or condition of this Agreement, including the failure to use good poultry husbandry practices and to care for any flock using reasonable and ordinary skill;
  - (b) Failure to cooperate with EVANS' personnel or refusal to follow company policies or specific instructions, including the use of abusive or threatening language or other threats of physical harm to EVANS' employees in the performance of their duties;
  - (c) Failure to comply with applicable federal, state, or local laws or regulations;
  - (d) CONTRACT GROWER has terminated its business or transferred an ownership interest in its business without EVANS' consent, or attempts to encumber or mortgage the birds; or
  - (e) CONTRACT GROWER'S performance and/or cost on each flock of broilers is consistently poor as compared to other contract growers and does not meet the standards required pursuant to EVANS' Performance Policy, as may be revised from time to time. See IMP program.
- 9. EVANS reserves the right to determine the number and type of birds to be placed and the timing of such placements in the CONTRACT GROWER'S facilities under this Agreement.
- 10. All poultry litter produced by the birds covered by this Agreement shall be the exclusive property of the CONTRACT GROWER and CONTRACT GROWER shall be responsible for and receive all of the economic benefits from the use and disposal of said litter.

- 12. In the event any flock or flocks covered under the terms of this Agreement shall be destroyed by any cause, this Agreement may be immediately terminated by EVANS and EVANS shall not be obligated for any additional payments herein provided, since all payments are based on live broilers produced for the market.
- 13. By initialing one of the lines below, CONTRACT GROWER shall indicate CONTRACT GROWER'S choice of whether to settle all disputes by binding arbitration as set forth herein:

ANY CONTROVERSY OR CLAIM ARISING BETWEEN THE PARTIES, INCLUDING, BUT NOT LIMITED TO DISPUTES RELATING TO THIS AGREEMENT, OR OF ANY BREACH OF THIS AGREEMENT, WHETHER SUCH CONTROVERSY OR CLAIM ARISES BEFORE, DURING, OR AFTER TERMINATION OF THE AGREEMENT, SHALL BE SETTLED BY BINDING ARBITRATION IN ACCORDANCE WITH THE COMMERCIAL RULES OF THE AMERICAN ARBITRATION ASSOCIATION. This Agreement to arbitrate shall continue in full force and effect despite the expiration, rescission or termination of this Agreement. By entering into this Agreement, the parties have waived the right to have their dispute tried and adjudicated by a court of law. Judgment upon the award rendered by the arbitrators may be entered in any court having jurisdiction thereof.

(INITIAL T	HE APPROPRIATE LINE)
_	Yes, I hereby elect binding arbitration as set forth above
	No, I choose not to elect binding arbitration at this time.

14. For compensation to CONTRACT GROWER for the items provided for under this Agreement, EVANS agrees to pay as follows:

CONTRACT GROWER will be paid for live broiler weight less the total Whole Bird Condemned Pounds for disease plus one-half of the parts condemned. The parts will be converted back to live weight by dividing the total parts by two and multiplying by 143%. All IP parts which are condemned through plant processing will be charged back to the grower by converting those pounds back to live weight by multiplying the number of pounds by 1.43. IP pounds will be recorded on the bottom of the USDA condemnation report. All broilers slaughtered in the calendar week will be used to compute the

CONTRACT GROWER'S payment for the week. The payment to CONTRACT GROWER will be based upon CONTRACT GROWER'S cost, exclusive of payments to CONTRACT GROWER. In determining CONTRACT GROWER'S cost, feed will be charged at per pound; baby chicks will be charged at per chick. The cost of each flock of broilers slaughtered during the week will be determined and a listing will be prepared showing CONTRACT GROWER'S name and his cost. Said listing will be made from the lowest to the highest cost per pound. From this list two additional lists will be produced. List Number One will be produced excluding EVANS' employees or members of their households. List Number Two will be produced including all contract growers settled in this week. For all non-employee related contract growers, middle contract grower cost and grower pay will be determined from List Number One, which excludes farms owned by EVANS' employees. Middle grower cost and grower pay for EVANS' employees will be determined from List Number Two. If there is an even number of growers settling, the two middle growers' cost will be averaged and this will be the middle cost. The middle cost thus determined will receive live weight passing USDA inspection. If CONTRACT GROWER'S cost is more than the middle cost, the middle cost will be subtracted from CONTRACT GROWER'S cost and the resulting difference will be deducted from to determine CONTRACT GROWER'S payment. The minimum amount paid to CONTRACT GROWER will be per pound. Other pay will vary depending on the housing/equipment specifications that the farm has met. The proper Addendum is attached to this agreement.

### D. TERMS FOR CONTRACT GROWER PAYMENTS:

- 1. Feed Dollars feed delivered @ per lb.
- 2. Chick Dollars chicks delivered @ per chick
- 3. Unit Cost Per Lb. Produced Feed Dollars + Chick Dollars divided by lbs. produced
- 4. Unit Cost Per Lb. Sold Feed Dollars + Chick Dollars divided by lbs. sold
- 5. Condemned Dollars (Unit Cost Per Lb. Sold less Unit Cost Per Lb. Produced) times lbs. produced
- 6. CONTRACT GROWER'S Cost Feed Dollars + Chick Dollars + Condemned Dollars/lbs. produced
- 7. Farm Caused Condemned includes but not limited to Tuberculosis, Leukosis, Septicaemia, Toxemia, Synovitis, Tumors, Bruises, Airsacculitis, and Inflammatory Process
- 8. Plant Caused Condemned includes but not limited to Cadavers, Contamination, and Overscald
- 9. Fuel Allowance Formula one way miles x 2 = round trip miles. Divide round trip miles by 3.04 = gallons and Gallons x 7.15 lbs. = lbs. added to net weight
- 10. Whole Bird Condemned Pounds the number of whole birds condemned x the average weight
- 11.Parts Condemned ½ of the parts condemned will be charged to CONTRACT GROWER.

6

REDACTED

CONFIDENTIAL PFIRWP-024020

Case 4:05-cv-00329-GKF-PJC	Document 2069-14 Filed	d in USDC ND/OK on 05/18/2009	Page
If CONTRACT GROWN Cost and the resulting di GROWER'S payment.	ER'S Cost is less than the Mic fference will be added to	idle Cost, it will be subtracted from Midd cents to determine CONTRACT	lle
	7		
REDACTED			

19 of 59

CONFIDENTIAL PFIRWP-024021 Settlements will be made before the close of the fifteenth day following the week in which CONTRACT GROWER'S broilers are slaughtered.

This Agreement supercedes any previous agreements and, along with any amendment, schedule or addenda, constitutes the entire agreement between the parties. No representation or statement made by either party not contained in this Agreement shall be binding on either party. CONTRACT GROWER agrees that statements made by EVANS' field service technicians or other EVANS' representatives contrary to this Agreement are not enforceable. Modification of the terms, conditions or requirements of this Agreement must be in writing and signed by both parties and will only apply to flocks placed subsequent to such amendment or modification. CONTRACT GROWER agrees that there are no oral understandings contrary to the written terms contained herein.

## CONTRACT GROWER'S SOCIAL SECURITY NUMBER:

	<del></del>
HOUSE NUMBER:	SQUARE FEET: 12000
HOUSE NUMBER: _ Z	SQUARE FEET: 1600
HOUSE NUMBER:	SQUARE FEET:
	<del></del>

8

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CONFIDENTIAL PFIRWP-024022

EVANS AND EVANS, INC.

CONTRACT GROWER

712993

9

CONFIDENTIAL PFIRWP-024023

Revised 11/1/03

Contract Grower Ch ADOFTE RUSSOW

# EVANS AND EVANS, INC. RETROFIT ADDENDUM TO BROILER AGREEMENT

If all requirements of this addendum are met, for houses equipped and built to specifications ( see attached spec sheet) described herein and approved by EVANS AND EVANS, INC. ("EVANS") the CONTRACT GROWER will be paid an additional per good pound. This is in addition to the standard middle grower payment of

On farms that have converted 1 or more houses to tunnel ventilation, but not all houses are converted, EVANS will pay tunnel addendum pay by a percentage of the total sold pounds.

This agreement is between	and EVANS
for the flock placed	. EVANS will renew this agreement
before each flock until all houses are converte addendum.	d to meet EVANS' requirements of this
KCE.	
Character Russon	1-14-04
Contract Grower signature	Date
Kun Purson	1-14-04
Service Tech. signature	Date

REDACTED

CONFIDENTIAL PFIRWP-024024

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# EVANS AND EVANS, INC. BROILER GROWING AGREEMENT

This Agreement is made and entered into this 27th day of March, 2003 by
and between EVANS AND EVANS, INC., an Arkansas corporation (hereinafter referred to as
"EVANS") and Thomas and Diann Teafatiller whose mailing address is
21918 Havy 244 N. Siloam Springs AK 72761 and whose telephone number is
have 479-524-8831 (ell 479-547-2/60 (hereinafter referred to as "CONTRACT FARMER").
All references to EVANS shall include EVANS' agents, which may include Crystal Lake Foods, LLC
and employees of Crystal Lake Foods, LLC.

### A. CONTRACT FARMER AGREES TO PROVIDE AT HIS EXPENSE:

- 1. Labor, utilities, litter, spraying, housing and equipment in the amounts and with the specifications as required and established from time to time by EVANS.
- 2. For the care and feeding of the birds using good poultry husbandry practices and as required by EVANS for the entire time the birds are housed in the CONTRACT FARMER'S facilities.
- Adequate and well-maintained roads to the poultry houses and feed bins with adequate turn around space for any tractor trailer unit of legal length. Failure to provide adequate roads on the CONTRACT FARMER'S property will make him liable for wrecker and towing charges.
- 4. For keeping and reporting accurate daily records as required by EVANS.
- 5. For the disposal of all dead birds and litter in a manner that is in compliance with all federal, state and local laws, rules and regulations.
- 6. A litter management plan as required by EVANS or federal, state or local law.

## B. EVANS AGREES TO PROVIDE AT ITS EXPENSE:

- 1. Chicks, feed and medications.
- 2. Labor and supervision for catching and loading the good birds when EVANS determines that the birds will be sold.
- 3. Field service by EVANS personnel through periodic visits at which time the service person will give advice and directives as to any changes that they see that the CONTRACT FARMER needs to make.
- 4. EVANS will deliver all feed to be fed to the birds covered under this Agreement.

### C. CONTRACT FARMER PAYMENT:

1. For compensation to the CONTRACT FARMER for the items provided for under this Agreement EVANS agrees to pay as follows:

1

**CONFIDENTIAL PFIRWP-047125** 

CONTRACT FARMER will be paid for total live broiler weight less the total Whole Bird Condemned Pounds for disease plus one-half of the parts condemned. The parts will be converted back to live weight by dividing the total parts by two and multiplying by 143%. All broilers slaughtered in the calendar week will be used to compute the CONTRACT FARMER'S payment for the week. The payment to the CONTRACT FARMER will be based upon the CONTRACT FARMER'S Cost exclusive of payments to the CONTRACT FARMER. In determining the CONTRACT FARMER'S Cost, feed will be charged at per pound; baby chicks will be charged at cost of each flock of broilers slaughtered during the week will be determined and a listing will be prepared showing the CONTRACT FARMER'S name and his cost. Said listing will be made from lowest to the highest cost per pound. From this list two additional lists will be produced. LIST NUMBER ONE will be produced EXCLUDING EVANS' employees or members of their households. LIST NUMBER TWO will be produced including all contract growers settled in this week. For all nonemployee related contract growers, MIDDLE GROWER COST AND GROWER PAY will be determined from LIST NUMBER ONE, which excludes farms owned by EVANS' employees. MIDDLE GROWER COST AND GROWER PAY for EVANS' employees will be determined from LIST NUMBER TWO. If there is an even number of growers settling, the two middle growers' cost will be averaged and this will be the middle cost. The middle cost thus determined will receive per pound live weight passing USDA inspection. If the CONTRACT FARMER'S Cost is more than the middle cost, the middle cost will be subtracted from CONTRACT FARMER'S Cost and the resulting difference will be deducted from to determine CONTRACT FARMER'S payment. The minimum amount paid to the CONTRACT FARMER will be per pound. CONTRACT FARMER shall receive an additional per pound if they meet the May 2001 Equipment Upgrade Requirements, a copy of which is available in the Live Production Office.

### **D. OTHER PROVISIONS:**

- Title to all live birds, feed and medications shall remain the property of EVANS. The CONTRACT FARMER shall see to it that no property of EVANS shall be sold or removed from this property by anyone other than EVANS personnel.
- 2. It is expressly agreed and understood that this Agreement does not create nor attempt to create a partnership, either general or limited, or an agency between the parties hereto, but is evidence of an independent contract. An employer-employee relationship does not exist by reason of this Agreement and neither party shall have authority to neither bind nor act on the behalf of the other party except as is herein specifically provided.
- 3. It is agreed that at no time is there to be any other poultry or fowl on the CONTRACT FARMER'S property.
- 4. In the event that the CONTRACT FARMER for whatever reason shall fail to comply with any of the terms of this Agreement or fail to follow directives as set forth by EVANS service person in the care of the birds, EVANS shall then have the right to enter upon the CONTRACT FARMER'S property and take possession of said poultry during the remainder of their productive life without court order or writ. In the event this should happen the responsibility for any extra expenses to EVANS shall revert to the CONTRACT FARMER.
- 5. EVANS shall have the right of access at all times to the CONTRACT FARMER'S premises in which EVANS birds are grown.
- 6. EVANS DOES NOT WARRANT QUALITY, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR OTHERWISE WARRANT ANY PROPERTY OR EQUIPMENT DELIVERED TO OR RECOMMENDED BY IT TO THE CONTRACT FARMER.

REDACTED

- 7. EVANS shall have the sole right to determine when birds covered under this Agreement are to be moved or disposed of. It is understood that this could be due to any reason that in EVANS' sole opinion causes retaining the flock at the CONTRACT FARMER'S facilities to not be economically feasible.
- CONTRACT FARMER warrants that he will not use or allow to be used during the term of this
  Agreement any feed, medication, herbicides, pesticides, rodenticides or insecticides or any other item
  except as supplied and approved by an EVANS service person.
- 9. It is expressly understood and agreed between the parties hereto that the term of this Agreement shall be for \_\_\_\_\_\_\_\_ and covers any and all birds delivered by EVANS during that period. The CONTRACT FARMER may cancel this Agreement at the end of any flock for any reason by notifying EVANS in writing at least 15 days prior to the placement of the next flock. This Agreement may be terminated by EVANS as of the time of removal of any flock for processing or whenever there is no flock in CONTRACT FARMER'S house(s) upon fifteen (15) days written notice (such notice to be provided at anytime during or between flocks), for any of the following reasons:
  - (a) Breach of any term or condition of this Agreement, including the failure to use good poultry husbandry practices and to care for any flock using reasonable and ordinary skill;
  - (b) Failure to cooperate with EVANS personnel or refusal to follow company policies or specific instructions, including the use of abusive or threatening language or other threats of physical harm to EVANS employees in the performance of their duties;
  - (c) Failure to comply with applicable federal, state, or local laws or regulations; or,
  - (d) The CONTRACT FARMER has terminated its business or transferred an ownership interest in its business without EVANS' consent or has disposed of or attempted to dispose of the birds, or attempts to encumber or mortgage the birds;
  - (e) Failure of EVANS to immediately terminate this Agreement with the CONTRACT FARMER pursuant to the terms of this Agreement, shall not waive EVANS' right to terminate this Agreement at any time in the future; or,
  - (f) CONTRACT FARMER'S performance and/or cost on each flock of broilers is consistently poor as compared to other contract growers and does not meet the standards required pursuant to EVANS' Performance Policy, as may be revised from time to time.
- 10. EVANS reserves the right to determine the number and type of birds to be placed and the timing of such placements in the CONTRACT FARMER'S facilities under this Agreement.
- 11. All poultry waste produced by the birds covered by this Agreement shall be the exclusive property of the CONTRACT FARMER and the CONTRACT FARMER shall be responsible for and receive all of the economic benefits from the use and disposal of said waste.
- 12. The CONTRACT FARMER shall have a Farm Management and/or Litter Management Plan developed for his operation with the appropriate governmental agency. This shall be done in a time frame that meets any and all deadlines set by law or regulation of any governing body that has jurisdiction over the CONTRACT FARMER'S property, or in any time frame that is required by EVANS. The CONTRACT FARMER shall follow the Farm Management and/or Litter Management Plan and if he is not doing so, EVANS shall have the right to not place additional birds on the farm.
- 13. The CONTRACT FARMER shall provide EVANS with a copy of his Farm Management and/or Litter Management Plan as well as any modifications thereto. CRYSTAL FARMS will be provided with a

- copy of any annual reports that the CONTRACT FARMER is required to provide to any local, state or federal agency as might pertain to Farm Litter Management Plan.
- 14. The CONTRACT FARMER agrees to follow recommended management practices as are explained to him by EVANS representatives. He further agrees to remove all equipment prior to catching and to be present during the catching and loading operation.
- 15. In the event any flock or flocks covered under the terms of this Agreement shall be destroyed by any cause, this Agreement may be immediately terminated by EVANS and EVANS shall not be obligated for any additional payments herein provided, since all payments are based on live broilers produced for the market.
- 16. EVANS will allow the CONTRACT FARMER to be present, if he so desires, to observe the weighing of his feed prior to delivery, to observe weighing of his birds after they are caught and to watch his birds being processed.
- 17. ANY CONTROVERSY OR CLAIM ARISING BETWEEN THE PARTIES, INCLUDING, BUT NOT LIMITED TO DISPUTES RELATING TO THIS AGREEMENT, OR OF ANY BREACH OF THIS AGREEMENT, WHETHER SUCH CONTROVERSY OR CLAIM ARISES BEFORE, DURING, OR AFTER TERMINATION OF THE AGREEMENT, SHALL BE SETTLED BY BINDING ARBITRATION IN ACCORDANCE WITH THE COMMERCIAL RULES OF THE AMERICAN ARBITRATION ASSOCIATION. This Agreement to arbitrate shall continue in full force and effect despite the expiration, rescission or termination of this Agreement. By entering into this Agreement, the parties have waived the right to have their dispute tried and adjudicated by a court of law. The arbitrators shall have the authority to award actual money damages (with interest on unpaid amounts from the date due), specific performance, and temporary injunctive relief, but the arbitrators shall not have the authority to award exemplary, punitive, or consequential damages, and the parties expressly waive any claimed right to such damages. Judgment upon the award rendered by the arbitrators may be entered in any court having jurisdiction thereof.
- 18. Modification of the terms, conditions or requirements of this Agreement must be in writing, signed by both parties and will only apply to flocks placed subsequent to such amendment or modification.

#### E. TERMS FOR CONTRACT FARMER PAYMENTS:

- Feed Dollars feed delivered @
- Chick Dollars chicks delivered @
- Unit Cost Per Lb. Produced Feed Dollars + Chick Dollars divided by lbs. produced
- Unit Cost Per Lb. Sold Feed Dollars + Chick Dollars divided by lbs. sold
- Condemned Dollars (Unit Cost Per Lb. Sold less Unit Cost Per Lb. Produced) times lbs. produced
- CONTRACT FARMER'S Cost Feed Dollars + Chick Dollars + Condemned Dollars/lbs. produced
- Farm Caused Condemned includes but not limited to Tuberculosis, Leukosis, Septicaemia,
   Toxemia, Synovitis, Tumors, Bruises, Airsacculitis and Inflammatory Process
- Plant Caused Condemned includes but not limited to Cadavers, Contamination and Overscald
- Fuel Allowance Formula one way miles x 2 = round trip miles. Divide round trip miles by 3.04 = gallons and Gallons x 7.15 lbs. = lbs. added to net weight
- Whole Bird Condemned Pounds the number of whole birds condemned x the average weight

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CONFIDENTIAL PFIRWP-047128

Example #1	Example #2	Example #3
Middle Cost is	Middle Cost is	Middle Cost is
Farmer Cost is	Farmer Cost is	Farmer Cost is
Farmer Cost	Farmer Cost	Farmer Cost
Less Middle Cost	Less Middle Cost	Less Middle Cost
Difference	Difference	Difference
Middle Payment	Middle Payment	Middle Payment
Less	Less	Less
Farmer Payment	Farmer Payment	Farmer Payment

Farmer Payment = Minimum

If CONTRACT FARMER'S Cost is less than the Middle Cost, it will be subtracted from Middle Cost and the resulting difference will be added to . to determine CONTRACT FARMER'S payment.

Example #4	1	T		
Evenible 12.4	<del> </del>			
1.011				<u> </u>
Middle Cost is	<u> </u>			
Farmer Cost is	<u> </u>	·		
Middle Cost is	I			
Less	T			
Difference	İ	Plus	=	which is Farmer Payment
Example #5				
	T -			
Middle Cost is	† —		<del></del>	
Farmer Cost is	T			
	T			
Middle Cost is				
Less				
Difference		Plus	-	which is Farmer Payment
Example #6	1			
Middle Cost is	T			
Farmer Cost is	T -			
	<del>†</del>		<del>-</del>	
Middle Cost is				
Less	<u>T</u>			
Difference	† <del>-</del>	Plus	=	which is Farmer Payment

The CONTRACT FARMER'S Cost will be determined on Wednesday following the week of sale and all settlements will be determined and payment made to the Farmer. Farmer payments will be made within 10 working days following the date the last of the Farmer's birds are slaughtered.

REDACTED

5

CONFIDENTIAL PFIRWP-047129 This Agreement supersedes all prior agreements between the parties hereto, and such prior agreements are hereby revoked in their entirety. It contains the entire agreement between the parties. The CONTRACT FARMER agrees that there are no oral understandings contrary to the written terms contained herein.

CONTRACT PARMER 3 SOCIAL SECUR	GII NUMBER.
HOUSE NUMBER:	SQUARE FEET:
Executed this 974 day of AOR1	,2003.
EVANS AND EVANS, INC.	CONTRACT FARMER
By: King Russed	Dian Jeaptole
Title: Service Tech.	Thomas Trapelle
cm/Agree/LiveProduction/CLFBroiler	

REDACTED

06/28/01

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# EVANS AND EVANS, INC. BREEDER HEN AGREEMENT

	This Ag	reement is ma	ade and en	tered into t	his <u>/ 7</u>	_day of _	August	, 20		
	by and between EVANS AND EVANS, INC., an Arkansas corporation									
	(hereinafter refe	rred to as "E	VANS") a	ınd						
	1 Xena	Lox			v		ling address i			
zang /	12079	Robin	Road	Gentry A			ose telephone	e number		
	is cell ahou	e 651-3	98-464			ster referi				
	"CONTRACT I	FARMER").	All refere	nces to EV	ANS sha	ll include	EVANS' age	ents,		
	which may inclu	ide Crystal La	ake Foods	, LLC and	employee	es of Crys	tal Lake Foo	ds, LLC.		

This Agreement covers Broiler Breeders.

### A. CONTRACT FARMER AGREES TO PROVIDE AT HIS EXPENSE:

- Labor, utilities, litter, spraying, housing and equipment in the amounts and with the specifications as required and established from time to time by EVANS. Each house will include an egg room and egg loadout facilities designed to the capacities and specifications required by EVANS.
- For the care and feeding of the birds using good poultry husbandry practices and as required by EVANS for the entire time the birds are housed in the CONTRACT FARMER'S facilities.
- Adequate and well-maintained roads to the poultry houses and feed bins with adequate turn
  around space for any tractor trailer unit of legal length. Failure to provide adequate roads
  on the CONTRACT FARMER'S property will make him liable for wrecker and towing
  charges.
- 4. For keeping and reporting accurate daily records as required by EVANS.
- 5. For the disposal of all dead birds and litter in a manner that is in compliance with all federal, state and local laws, rules and regulations.
- 6. A litter management plan as required by EVANS, CLF or federal, state or local law.

### **B. EVANS AGREES TO PROVIDE AT ITS EXPENSE:**

- Breeding bens and cockerels, feed, medications, nesting material and spraying supplies.
- Labor and supervision for vaccination, testing, grading and for catching and loading the remaining birds when EVANS determines that the flock is to be slaughtered.
- Field service by EVANS personnel through periodic visits at which time the service person
  will give advice and directives as to any changes that they see that the CONTRACT
  FRAMER needs to make.

CONFIDENTIAL PFIRWP-023490

- EVANS will deliver all feed to be fed to the birds covered under this Agreement.
- 5. EVANS will pick up all eggs produced by the birds covered under this Agreement and gathered by the CONTRACT FARMER.

# C. CONTRACT FARMER PAYMENT:

- For compensation to the CONTRACT FARMER for the items provided for under this Agreement EVANS agrees to pay as follows:
  - (a) For each dozen eggs picked up by EVANS, a payment of cents per dozen.
  - (b) On a weekly basis, cents per square foot of growing floor space in the CONTRACT FARMER'S facilities. Payment made pursuant to this paragraph will start when EVANS places the first birds of a flock in the facilities and will continue until payment due CONTRACT FARMER under paragraphs C.1.(a) and C.1.(e) (if applicable) exceeds the payment due this paragraph.
  - (c) At the end of the flock, a Chick Production Bonus of cents per chick will be paid based on all good chicks (as determined by EVANS hatchery personnel) produced by the flock.
  - (d) A utility bonus of the cents multiplied by the number of square feet occupied by the birds in the CONTRACT FARMER'S house(s) will be made on each flock.
  - (e) As a housing upgrade incentive, the CONTRACT FARMER shall be eligible for an additional payment of per dozen eggs, if the farm has upgraded its houses to include equipment which meets EVANS' Housing Upgrade Incentive Specifications, copies of which may be obtained at EVANS' Live Production office.
- 2. Payments made pursuant to paragraphs C. 1. (a), (b) and (e), will be made weekly with checks being mailed out each Friday by U.S. Mail. Payments made pursuant to paragraph C. 1. (c) will be prepared after all chicks from a flock have been hatched and the numbers have been calculated and checked. This payment will be mailed within two weeks after all chicks from a flock have been hatched. Payments made pursuant to paragraph C. 1. (d), will be made within fifteen (15) days of the date designated by the CONTRACT FARMER, anytime between the date the flock is placed on the farm and the placement date of the next flock, if any. An authorized EVANS representative will determine all numbers used in the determination of the CONTRACT FARMER payment.

### D. OTHER PROVISIONS:

- Title to all live birds, feed and medications shall remain the property of EVANS. The CONTRACT FARMER shall see to it that no property of EVANS shall be sold or removed from this property by anyone other than EVANS personnel.
- 2. It is expressly agreed and understood that this Agreement does not create nor attempt to create a partnership, either general or limited, or an agency between the parties hereto, but is evidence of an independent contract. An employer-employee relationship does not exist by reason of this Agreement and neither party shall have authority to neither bind nor act

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on the behalf of the other party except as is herein specifically provided.

- It is agreed that at no time is there to be any other poultry or fowl on the CONTRACT FARMER'S property.
- 4. In the event that the CONTRACT FARMER for whatever reason shall fail to comply with any of the terms of this Agreement or fail to follow directives as set forth by EVANS service person in the care of the birds, EVANS shall then have the right to enter upon the CONTRACT FARMER'S property and take possession of said poultry during the remainder of their productive life without court order or writ. In the event this should happen the responsibility for any extra expenses to EVANS shall revert to the CONTRACT FARMER.
- EVANS shall have the right of access at all times to the CONTRACT FARMER'S premises in which EVANS birds are grown.
- 6. EVANS DOES NOT WARRANT QUALITY, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR OTHERWISE WARRANT ANY PROPERTY OR EQUIPMENT DELIVERED TO OR RECOMMENDED BY IT TO THE CONTRACT FARMER.
- 7. EVANS shall have the sole right to determine when birds covered under this Agreement are to be moved or disposed of. It is understood that this could be due to any reason that in EVANS' sole opinion causes retaining the flock at the CONTRACT FARMER'S facilities to not be economically feasible.
- 8. CONTRACT FARMER warrants that he will not use or allow to be used during the term of this Agreement any feed, medication, herbicides, pesticides, rodenticides or insecticides or any other item except as supplied and approved by an EVANS service person.
- 9. It is expressly understood and agreed between the parties hereto that the term of this Agreement shall be for IF/OCK and covers any and all birds delivered by EVANS during that period. The CONTRACT FARMER may cancel this Agreement at the end of any flock for any reason by notifying EVANS in writing at least 15 days prior to the placement of the next flock. This Agreement may be terminated by EVANS as of the time of removal of any flock for processing or whenever there is no flock in CONTRACT FARMER'S house(s) upon fifteen (15) days written notice (such notice to be provided at anytime during or between flocks), for any of the following reasons:
  - (a) Breach of any term or condition of this Agreement, including the failure to use good poultry husbandry practices and to care for any flock and eggs using reasonable and ordinary skill;
  - (b) Failure to cooperate with EVANS personnel or refusal to follow company policies or specific instructions, including the use of abusive or threatening language or other threats of physical harm to EVANS employees in the performance of their duties;
  - (c) Failure to comply with applicable federal, state, or local laws or regulations; or,
  - (d) The CONTRACT FARMER has terminated its business or transferred an ownership

interest in its business without EVANS' consent or has disposed of or attempted to dispose of the birds, or attempts to encumber or mortgage the birds;

- (e) Failure of EVANS to immediately terminate this Agreement with the CONTRACT FARMER pursuant to the terms of this Agreement shall not waive EVANS' right to terminate this Agreement at any time in the future.
- EVANS reserves the right to determines the number and type of birds to be placed in the CONTRACT FARMER'S facilities under this Agreement.
- 11. All poultry waste produced by the birds covered by this Agreement shall be the exclusive property of the CONTRACT FARMER and the CONTRACT FARMER shall be responsible for and receive all of the economic benefits from the use and disposal of said waste.
- 12. By initialing one of the lines below, the CONTRACT FARMER shall indicate his/her choice of whether to settle all disputes by binding arbitration as set forth herein:

ANY CONTROVERSY OR CLAIM ARISING BETWEEN THE PARTIES, INCLUDING, BUT NOT LIMITED TO DISPUTES RELATING TO THIS AGREEMENT, OR OF ANY BREACH OF THIS AGREEMENT, WHETHER SUCH CONTROVERSY OR CLAIM ARISES BEFORE, DURING, OR AFTER TERMINATION OF THE AGREEMENT, SHALL BE SETTLED BY BINDING ARBITRATION IN ACCORDANCE WITH THE COMMERCIAL RULES OF THE AMERICAN ARBITRATION ASSOCIATION. This Agreement to arbitrate shall continue in full force and effect despite the expiration, rescission or termination of this Agreement. By entering into this Agreement, the parties have waived the right to have their dispute tried and adjudicated by a court of law. Judgment upon the award rendered by the arbitrators may be entered in any court having jurisdiction thereof.

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	Yes, I hereby elect binding arbitration as set forth above.
	No, I choose not to elect binding arbitration at this time.

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13. Modification of the terms, conditions or requirements of this Agreement must be in writing, signed by both parties and will only apply to flocks placed subsequent to such amendment or modification.

This Agreement supersedes all prior agreements between the parties hereto, and such prior agreements are hereby revoked in their entirety. It contains the entire agreement between the parties. The CONTRACT FARMER agrees that there are no oral understandings contrary to the written terms contained herein.

CUNTRACT FARMER'S SOCIAL SECURITY N	NUMBER:_
HOUSE NUMBER: 270 - /	SQUARE FEET: /6000
HOUSE NUMBER: <u>2.70 - 2</u>	SQUARE FEET: /6000

REDACTED

HOUSE NUMBER:	SQUARE FEET:
HOUSE NUMBER:	SQUARE FEET:
Executed this 19th day of Angua	t, 20 <u>02</u> .
EVANS AND EVANS, INC.	CONTRACT FARMER
By: Jim Wilson	leyen

Case 4:05-cv-00329-GKF-PJC Document 2069-14 Filed in USDC ND/OK on 05/18/2009 Page 35 of 59

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This Agreement is made and entered into this 5 7 day of Figure , 2001 by and
between EVANS AND EVANS, INC., an Arkansas corporation (hereinafter referred to as
Evans") and Rear Farm whose mailing address is
9050 W. Hwy, 12, Gentry, AR 72734 and whose telephone number is
(hereinafter referred to as "CONTRACT GROWER"). All
eferences to EVANS shall include EVANS' agents, which may include Peterson Farms and
employees of Peterson Farms. In consideration of the mutual covenants of Evans and Contract
Grower as set forth below, Evans and Contract Grower agree as follows:

# A. EVANS' OBLIGATIONS: Evans agrees:

- 1. To provide CONTRACT GROWER with chicks at no cost to CONTRACT GROWER. CONTRACT GROWER understands that EVANS retains title to said chicks.
- 2. To provide and deliver feed to CONTRACT GROWER as needed to grow birds to marketable weight. EVANS will retain title to all feed not consumed by the birds.
- 3. To provide all veterinary and technical services as needed.
- 4. To provide medications as needed for the care and treatment of the birds. Note: Do not use any medications unless approved by EVANS' technical services.
- 5. To provide CONTRACT GROWER with copies of chick delivery tickets, feed delivery tickets, scale tickets, condemnation reports, settlement sheets, and mortality cards as they are turned in.
- 6. To provide scales used in weighing poultry and feed to insure accurate weights. EVANS will employ qualified persons to operate all scales.

## B. CONTRACT GROWER'S OBLIGATIONS: Contract Grower agrees:

- 1. To furnish all labor, housing, fuel, water, litter, cleaning of broiler house(s), utilities, and equipment as needed for proper care of the birds.
- 2. To have the house(s) prepared as prescribed by EVANS for the care and feeding of the birds using good poultry husbandry practices. Care will continue until EVANS determines that the birds are to be removed.

1

- 3. To maintain records such as mortality charts and litter disposal records, etc., as required or requested by EVANS.
- 4. To provide well maintained roads to the poultry house(s) and feed bins with adequate turn-around space for any tractor trailer units. Failure to provide adequate roads could make the CONTRACT GROWER liable for wrecker and towing charges that may occur.
- 5. To dispose of all dead birds in a manner that is in compliance with all federal, state, and local laws.
- 6. That at no time is there to be any other poultry or fowl on the CONTRACT GROWER'S property.
- 7. That EVANS shall have the right of access at all times to the CONTRACT GROWER'S premises on which EVANS' birds are grown.
- 8. To assist in the unloading of chicks. There should be enough help to assure each house is unloaded in approximately 20 minutes.
- 9. To follow the Federal Insecticide, Fungicide and Rodenticide Act of 1947, as well as appropriate FDA, USDA, State, and EPA regulations.
- 10. To administer no feed, vaccine or medication to the birds and to use no herbicide, pesticide, rodenticide, insecticide, or any other chemical except as supplied and approved by an EVANS' service technician.
- 11. To follow recommended management practices given by EVANS' representatives in service reports, memoranda, and other communications as may be supplied from time to time.
- 12. To remove all equipment prior to catching.
- 13. To have a Farm Management and/or Litter Management Plan developed for the CONTRACT GROWER'S operation with the appropriate governmental agency. This shall be done in a time frame that meets any and all deadlines set by law or regulation of any governing body that has jurisdiction over the CONTRACT GROWER'S property, or in any time frame that is required by EVANS. CONTRACT GROWER shall follow the Farm Management and/or Litter Management Plan and should CONTRACT GROWER fail to do so, EVANS shall have the right to refuse to place additional birds with the CONTRACT GROWER.

14. To provide EVANS with a copy of the CONTRACT GROWER'S Farm Management and/or Litter Management Plan as well as any modifications thereto. PETERSON FARMS will be provided with a copy of any annual reports that the CONTRACT GROWER is required to provide to any local, state, or federal agency as might pertain to the CONTRACT GROWER'S Farm or Litter Management Plan.

#### C. OTHER PROVISIONS:

- 1. It is expressly agreed and understood that this Agreement does not create nor attempt to create a partnership, either general or limited, or an agency relationship between the parties hereto, but is evidence of an independent contract. An employer-employee relationship does not exist by reason of this Agreement and neither party shall have authority to bind nor act on the behalf of the other party except as is herein specifically provided. Failure of EVANS to immediately terminate this Agreement with the CONTRACT GROWER pursuant to the terms of this Agreement shall not waive EVANS' right to terminate this Agreement at any time in the future.
- 2. Right of removal of all birds, feed, medications, and supplies furnished to the CONTRACT GROWER by EVANS remains with EVANS. CONTRACT GROWER agrees that no birds, feed, medication, or supplies will be removed from the premises or otherwise disposed of except as provided in this Agreement.
- 3. EVANS does not warrant quality, merchantability, fitness for a particular purpose or otherwise warrant any property or equipment delivered to or recommended by it to the CONTRACT GROWER.
- 4. EVANS shall have the sole right to determine when birds covered under this Agreement are to be moved or disposed of. It is understood that this could be due to any reason that in EVANS' sole opinion causes retaining the flock at the CONTRACT GROWER'S facilities to not be economically feasible.
- 5. If CONTRACT GROWER chooses to sell the farm where birds are placed under this Agreement, EVANS' obligations will cease after the CONTRACT GROWER'S last flock has settled. EVANS has no obligation to place birds with the purchaser of CONTRACT GROWER'S farm or house(s). If a purchaser desires to grow broilers with EVANS, a new contract may be arranged with the purchaser on EVANS' approval of the condition of the house(s), and equipment, the needs of EVANS, and proof of possession of the farm.
- 6. It is expressly understood and agreed between the parties hereto that the term of this Agreement shall be for 1 flock and covers any and all birds delivered by

3

- 7. This Agreement terminates after the flock in place is picked up. If EVANS chooses to place and CONTRACT GROWER chooses to accept a subsequent flock, all terms and conditions contained in this Agreement shall apply to that subsequent flock.
- 8. CONTRACT GROWER and EVANS may terminate this Agreement at the end of any flock for any reason by giving notice to the other party in writing at least 15 days prior to the placement of the next flock. EVANS may terminate this Agreement as of the time of removal of any flock for processing or whenever there is no flock in CONTRACT GROWER'S house(s) upon fifteen (15) days written notice (such notice to be provided at any time during or between flocks), for any of the following reasons:
  - (a) Breach of any term or condition of this Agreement, including the failure to use good poultry husbandry practices and to care for any flock using reasonable and ordinary skill;
  - (b) Failure to cooperate with EVANS' personnel or refusal to follow company policies or specific instructions, including the use of abusive or threatening language or other threats of physical harm to EVANS' employees in the performance of their duties;
  - (c) Failure to comply with applicable federal, state, or local laws or regulations;
  - (d) CONTRACT GROWER has terminated its business or transferred an ownership interest in its business without EVANS' consent, or attempts to encumber or mortgage the birds; or
  - (e) CONTRACT GROWER'S performance and/or cost on each flock of broilers is consistently poor as compared to other contract growers and does not meet the standards required pursuant to EVANS' Performance Policy, as may be revised from time to time. See IMP program.
- 9. EVANS reserves the right to determine the number and type of birds to be placed and the timing of such placements in the CONTRACT GROWER'S facilities under this Agreement.
- 10. All poultry litter produced by the birds covered by this Agreement shall be the exclusive property of the CONTRACT GROWER and CONTRACT GROWER shall be responsible for and receive all of the economic benefits from the use and disposal of said litter.

4

- 11. EVANS requests that CONTRACT GROWER be present during the catching and loading operation. However, if CONTRACT GROWER chooses not to be present, CONTRACT GROWER agrees to accept the number of smothered without contest.
- 12. In the event any flock or flocks covered under the terms of this Agreement shall be destroyed by any cause, this Agreement may be immediately terminated by EVANS and EVANS shall not be obligated for any additional payments herein provided, since all payments are based on live broilers produced for the market.
- 13. By initialing one of the lines below, CONTRACT GROWER shall indicate CONTRACT GROWER'S choice of whether to settle all disputes by binding arbitration as set forth herein:

ANY CONTROVERSY OR CLAIM ARISING BETWEEN THE PARTIES, INCLUDING, BUT NOT LIMITED TO DISPUTES RELATING TO THIS AGREEMENT, OR OF ANY BREACH OF THIS AGREEMENT, WHETHER SUCH CONTROVERSY OR CLAIM ARISES BEFORE, DURING, OR AFTER TERMINATION OF THE AGREEMENT, SHALL BE SETTLED BY BINDING ARBITRATION IN ACCORDANCE WITH THE COMMERCIAL RULES OF THE AMERICAN ARBITRATION ASSOCIATION. This Agreement to arbitrate shall continue in full force and effect despite the expiration, rescission or termination of this Agreement. By entering into this Agreement, the parties have waived the right to have their dispute tried and adjudicated by a court of law. Judgment upon the award rendered by the arbitrators may be entered in any court having jurisdiction thereof.

(INITIAL T	HE APPROPRIATE LINE)	
	Yes, I hereby elect binding arbitration as set forth above	ve
. /	No, I choose not to elect binding arbitration at this tim	ıe.

14. For compensation to CONTRACT GROWER for the items provided for under this Agreement, EVANS agrees to pay as follows:

CONTRACT GROWER will be paid for live broiler weight less the total Whole Bird Condemned Pounds for disease plus one-half of the parts condemned. The parts will be converted back to live weight by dividing the total parts by two and multiplying by

All IP parts which are condemned through plant processing will be charged back to the grower by converting those pounds back to live weight by multiplying the number of pounds by IP pounds will be recorded on the bottom of the USDA condemnation report. All broilers slaughtered in the calendar week will be used to compute the

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Page 42 of 59

CONTRACT GROWER'S payment for the week. The payment to CONTRACT GROWER will be based upon CONTRACT GROWER'S cost, exclusive of payments to CONTRACT GROWER. In determining CONTRACT GROWER'S cost, feed will be cents per pound; baby chicks will be charged at cents per chick. The cost of each flock of broilers slaughtered during the week will be determined and a listing will be prepared showing CONTRACT GROWER'S name and his cost. Said listing will be made from the lowest to the highest cost per pound. From this list two additional lists will be produced. List Number One will be produced excluding EVANS' employees or members of their households. List Number Two will be produced including all contract growers settled in this week. For all non-employee related contract growers, middle contract grower cost and grower pay will be determined from List Number One, which excludes farms owned by EVANS' employees. Middle grower cost and grower pay for EVANS' employees will be determined from List Number Two. If there is an even number of growers settling, the two middle growers' cost will be averaged and this will be the middle cost. The middle cost thus determined will receive cents per pound live weight passing USDA inspection. If CONTRACT GROWER'S cost is more than the middle cost, the middle cost will be subtracted from CONTRACT GROWER'S cost and the resulting difference will be deducted from cents to determine CONTRACT GROWER'S payment. The minimum amount paid to CONTRACT GROWER will be cents per pound. Other pay will vary depending on the housing/equipment specifications that the farm has met. The proper Addendum is attached to this agreement.

### D. TERMS FOR CONTRACT GROWER PAYMENTS:

- 1. Feed Dollars feed delivered @ \$ per lb
- 2. Chick Dollars chicks delivered @ \$ per chick
- 3. Unit Cost Per Lb. Produced Feed Dollars + Chick Dollars divided by lbs. produced
- 4. Unit Cost Per Lb. Sold Feed Dollars + Chick Dollars divided by lbs. sold
- 5. Condemned Dollars (Unit Cost Per Lb. Sold less Unit Cost Per Lb. Produced) times lbs. produced
- 6. CONTRACT GROWER'S Cost Feed Dollars + Chick Dollars + Condemned Dollars/lbs. produced
- 7. Farm Caused Condemned includes but not limited to Tuberculosis, Leukosis, Septicaemia, Toxemia, Synovitis, Tumors, Bruises, Airsacculitis, and Inflammatory Process
- 8. Plant Caused Condemned includes but not limited to Cadavers, Contamination, and Overscald
- 9. Fuel Allowance Formula one way miles x 2 = round trip miles. Divide round trip miles by = gallons and Gallons x lbs. = lbs. added to net weight
- 10. Whole Bird Condemned Pounds the number of whole birds condemned x the average weight
- 11.Parts Condemned ½ of the parts condemned will be charged to CONTRACT GROWER.

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		No. And Statistics of Control of the State of Control o
Example #1	Example #2	Example #3
Middle Cost is	Middle Cost is	Middle Cost is
Grower Cost is	Grower Cost is	Grower Cost is
Grower Cost	Grower Cost	Grower Cost
Less Middle Cost	Less Middle Cost	Less Middle Cost
Difference	Difference	Difference
Middle Payment	Middle Payment	Middle Cost
Less	Less	Less
Grower Payment	Grower Payment	Grower Payment
Grower Pay	ment =	Material Control of the Control of t

If CONTRACT GROWER'S Cost is less than the Middle Cost, it will be subtracted from Middle Cost and the resulting difference will be added to cents to determine CONTRACT GROWER'S payment.

Example #4	Example #5	Example #6
Middle Cost is	Middle Cost is	Middle Cost is
Grower Cost is	Grower Cost is	Grower Cost is

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Middle Cost is	Middle Cost is	-	Middle Cost is
Less	Less		Less
Difference	Difference		Difference
Plus which is Grower Payment	is Grower Payment	vhich vhich	

Settlements will be made before the close of the fifteenth day following the week in which CONTRACT GROWER'S broilers are slaughtered.

This Agreement supercedes any previous agreements and, along with any amendment, schedule or addenda, constitutes the entire agreement between the parties. No representation or statement made by either party not contained in this Agreement shall be binding on either party. CONTRACT GROWER agrees that statements made by EVANS' field service technicians or other EVANS' representatives contrary to this Agreement are not enforceable. Modification of the terms, conditions or requirements of this Agreement must be in writing and signed by both parties and will only apply to flocks placed subsequent to such amendment or modification. CONTRACT GROWER agrees that there are no oral understandings contrary to the written terms contained herein.

## CONTRACT GROWER'S SOCIAL SECURITY NUMBER-

	$i(-\Delta \Delta C)$
HOUSE NUMBER:/	SQUARE FEET: /6,000
HOUSE NUMBER: 2	SQUARE FEET: 16, 000
HOUSE NUMBER: 3	SQUARE FEET: / (0,000
HOUSE NUMBER: 4	SQUARE FEET: 16,000
HOUSE NUMBER:	SQUARE FEET: 21,500
HOUSE NUMBER:	SQUARE FEET: 21,500

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EVANS AND EVANS, INC.

**CONTRACT GROWER** 

Title: Service Tein

712993

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Revised 11/1/03

and EVANS

Contract Grower (C.170) FARMS

This agreement is between

# EVANS AND EVANS, INC. RETROFIT ADDENDUM TO BROILER AGREEMENT

If all requirements of this addendum are met, for houses equipped and built to specifications ( see attached spec sheet) described herein and approved by EVANS AND EVANS, INC. ("EVANS") the CONTRACT GROWER will be paid an additional per good pound. This is in addition to the standard middle grower payment of

On farms that have converted 1 or more houses to tunnel ventilation, but not all houses are converted, EVANS will pay tunnel addendum pay by a percentage of the total sold pounds.

Example: A CONTRACT GROWER has a 2 - house farm and has converted 1 house to tunnel ventilation. The farm has 2 - 16,000 sq. ft. houses. EVANS would then take the sq. ft. of that house and divide it by the total farm sq. ft. and arrive at a percent of the farm that was tunnel ventilated. 16,000 sq. ft. divided by 32,000 = 50% of the farm that is tunnel ventilated. EVANS will pay per pound on 50% of the live broiler weight sold by the CONTRACT GROWER less the computed live weight of whole birds condemned for disease plus ½ of the parts condemned.

for the flock placed	EVANS will renew this agreement
before each flock until all houses are converted addendum.	to meet EVANS' requirements of this
Contract Grower signature	) -5 -0 4 Date
Service Tech) signature	2-5-04 Date

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PFIRWP-07001

Keyed 4/1/05

# **Patricia Woodall**

From:

Tammy Graham

Sent:

Friday, April 01, 2005 10:35 AM

To: Subject: Patricia Woodall Vernon Reams

Please change the phone number in the system to 524-7022. Thanks!

Thank-You, Tammy Graham Live Production Office (479)752-5255/5254

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# **Broiler Growing Contract**

Effective 7/93 • Rev. 3/99 • CON001

This agreement is made and entered into this	_ day of	19,	by and between PETERSON
FARMS, INC. P.O. BOX 248, DECATUR, AR (hereinafter referred	to as ("PET		
whose mailing address is		BLOOMFIELD FARM	
(hereinafter referred to as "CONTRACT FARME	R"). (3	10164 ELOOMFIELD BENTRY	RD AR 727 <mark>34000</mark> 0

## A. CONTRACT FARMER agrees to provide at his expense:

- 1. Labor, utilities, litter, housing and equipment in the amounts and with the specifications as required by PETERSON.
- For the care and feeding of the birds as required by PETERSON for the entire time the birds are housed in the CONTRACT FARMERS facilities.
- Adequate and well maintained roads to the poultry houses and feed bins with adequate turn around space for any tractor-trailer unit of legal length. Failure to provide adequate roads on the CONTRACT FARMER'S property will make him liable for wrecker and towing charges.
- 4. For keeping accurate daily records as required by PETERSON.,
- 5. For the disposal of all dead birds, in a manner that is in compliance with all federal, state, and local laws, rules and regulations.

## B. PETERSON agrees to provide at the company's expense:

- 1. Chicks, feed, and medication.
- 2. Labor and supervision for catching and loading the birds when PETERSON determines that the birds will be sold.
- 3. Field service by PETERSON personnel through periodic visits at which time the service person will give advice and directives as to any changes that they see that the CONTRACT FARMER needs to make.
- 4. PETERSON will deliver all feed to be fed to the birds covered under this agreement.

## C. CONTRACT FARMER Payment

1. For compensation to the Contract Farmer for the items he has agreed to provide under this agreement PETERSON agrees to pay as follows:

Contract Farmers will be paid for total live broiler weight less the computed live weight of whole birds condemned for disease plus one-half of the parts condemned. The parts will be converted back to live weight by dividing the total parts by two and multiplying by slaughtered in the calendar week will be used to compute the Contract Farmer's payment for the week. The payment to the Contract Farmer will be based upon the Contract Farmer's cost exclusive of payments to the Farmer. In determining the CONTRACT FARMER'S cost feed will per chick. The cost of each flock of broilers slaughtered during the be charged at per pound; baby chicks will be charged at week will be determined and a listing will be prepared showing the Contract Farmer's name, and his cost. Said listing will be made from the lowest to the highest cost per pound. From this list two additional lists will be produced. LIST NUMBER ONE will be produced EXCLUDING PETERSON'S employees or members of their households. LIST NUMBER TWO will be produced including all contract growers settled in this week. All non-employee related growers MIDDLE GROWER COST AND GROWER PAY will be determined from LIST NUMBER ONE which excludes farms owned by PETERSON'S employees. MIDDLE GROWER COST AND GROWER PAY for PETERSONS' employees will be determined from LIST NUMBER TWO. If there is an even number of growers settling, the two middle growers' cost will be averaged and this per pound live weight passing USDA inspection. If the will be the middle cost. The middle cost thus determined will receive. Farmer's cost is more than the middle cost, the middle cost will be subtracted from Farmer's cost and the resulting difference will be deducted from to determine Farmer's payment. The minimum amount paid to Farmer will be per pound. All growers will receive an additional if they meet the equipment requirement in Exhibit C.

#### D. Other provisions:

- 1. Title to all live birds, feed and medications shall remain the property of Peterson. The CONTRACT FARMER shall see to it that no property of Peterson shall be sold or removed from his property by anyone other than a PETERSON employee.
- 2. It is expressly agreed and understood that this agreement does not create, nor attempt to create a partnership, either general or limited between the parties hereto, but is evidence of an independent contract. An employer-employee relationship does not exist by reason of this agreement and neither party shall have authority to bind nor act on the behalf of the other party except as is herein specifically provided.
- 3. It is agreed that at no time is there to be any other poultry or fowl on the CONTRACT FARMER'S property.

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- 4. In the event that the CONTRACT FARMER for whatever reason shall fail to comply with any of the terms of this agreement, or fail to follow directives as set forth by PETERSON service person in the care of the birds, PETERSON shall then have the right to enter upon the CONTRACT FARMER'S property and take possession of said poultry during the remainder of their productive life without court order or writ. In the event this should happen the responsibility for any extra expenses to PETERSON shall revert to the CONTRACT FARMER.
- 5. PETERSON shall have the right of access at all times to the CONTRACT FARMER'S premises in which PETERSON birds are grown.
- 6. PETERSON DOES NOT WARRANT QUALITY, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR OTHERWISE WARRANT ANY PROPERTY OR EQUIPMENT DELIVERED TO OR RECOMMENDED BY THEM TO THE CONTRACT FARMER.
- 7 PETERSON shall have the sole right to determine when birds covered under this agreement are to be moved or disposed of. It is understood that this could be due to any reason that in PETERSONS' opinion causes retaining the flock at the CONTRACT FARMER'S facilities to not be economically feasible.
- 8. CONTRACT FARMER warrants that he will not use or allow to be used during the period of this agreement any feed, medication, herbicides, pesticides, or insecticides or any other item except as supplied or approved by a PETERSON service person.
- 9. It is expressly understood and agreed between the parties hereto that the terms of this agreement shall be automatically renewed for a successive flock of poultry and shall continue until it is cancelled or terminated by either party. Such right of termination shall exist only when a batch is removed from the CONTRACT FARMER'S facilities. In the event that either party wishes to terminate this agreement at such time they may do so with or with out cause or liability to the other party by delivering to the other party written notice of their intent by certified mail or personal delivery.
- 10. PETERSON reserves the right to determine the number and type of birds to be placed in the CONTRACT FARMER'S facilities under this agreement.
- 11. All poultry waste produced by the birds covered by this contract shall be the exclusive property of the CONTRACT FARMER and the CONTRACT FARMER shall be responsible for and receive all of the economic benefits from the use and disposal of said waste.
- 12. The CONTRACT FARMER shall have a Farm Management and/or Litter Management Plan developed for his operation with the appropriate governmental agency. This shall be done in a time frame that meets any and all deadlines set by law or regulation of any governing body that has jurisdiction over the CONTRACT FARMERS property, or any time frame that is required by PETERSON to meet agreements that the industry has made with any jurisdiction. The Contract Farmer shall follow the Farm Management and/or Litter Management Plan and if he is not doing so PETERSON shall have the right to not place additional birds on the farm.
- 13. The CONTRACT FARMER shall provide PETERSON with a copy of his Farm Management and/or Litter Management Plan as well as any modifications there to. PETERSON will be provided with a copy of any annual reports that the CONTRACT FARMER is required to provide to any local, state or federal agency as might pertain to Farm Litter Management Plan.
- 14. The CONTRACT FARMER agrees to follow recommended management practices as are explained to him by PETERSON representatives. He further agrees to remove all equipment prior to catching and to be present during the catching and loading operation.
- 15. In the event any flock or flocks covered under the terms of this agreement shall be destroyed by any cause, this agreement shall terminate, and PETERSON shall not be obligated for any payments herein provided since all payments are based on live broilers produced for the market.
- 16. PETERSON will allow the CONTRACT FARMER to be present if he so desires to observe the weighing of his feed prior to delivery, his birds after they are caught, and to watch his birds being processed.

Modifications of the terms, conditions or requirements of this agreement must be in writing and will only apply to flocks placed subsequent to such amendment or modification. No oral modifications can be made to this agreement.

## E. Definitions:

Feed Dollars -

**Chick Dollars -**

Unit Cost Per Lb. Produced -

Unit Cost Per Lb. Sold -

Condemned Dollars - (u

**Contract Farmer's Cost** 

Farm Caused Condemned - includes but not limited to Tuberculosis, Leukosis, Septicaemia, Toxemia, Synovitis, Bruises, Airsacculitis, and Inflamitory Process

Plant Caused Condemned - includes but is not limited to Cadavers, Contamination, and Overscald

Fuel Allowance Formula -

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Example #1	Example #2	Example #3
Middle Cost is	Middle Cost is	Middle Cost is
Farmer Cost is	Farmer Cost is	Farmer Cost is
Farmer Cost	Farmer Cost	Farmer Cost
Less Middle Cost	Less Middle Cost	Less Middle Cost
Difference	Difference	Difference
Middle Payment	Middle Payment	Middle Payment
Less	Less	Less
Farmer Payment	Farmer Payment	Farmer Payment
	Farmer Payment =	

If Farmer's cost is less than the middle cost it will be subtracted from middle cost and the resulting difference will be added to to determine Farmer's payment.

Example #4

Middle Cost is
Farmer Cost is

Middle Cost
Less
Difference

Example #5

Middle Cost is
Farmer Cost is

Middle Cost
Less
Difference

Example #6

Middle Cost is
Farmer Cost is

Middle Cost
Less
Difference

The Contract Farmer's cost will be determined on Wednesday following the week of sale and all settlements will be determined and payment made to the Farmer. Farmer payments will be made within 10 working days following the date the last of the Farmer's birds are slaughtered.

This Contract supersedes all prior Agreements between the parties hereto. It contains the entire agreement between the parties. The CONTRACT FARMER agrees that there is no oral understanding contrary to the written terms contained herein.

CONTRACT FARMER'S SOCIAL SECURITY NUMBER

EXECUTED THIS 19 DAY OF 4

PETERSON FARMS, INC.

19 99

CONTRACT FARMER

\_1100N 1 Artivio, into.

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# Peterson Farms, Inc.

# New Broiler House Addendum Growing Contract

This memorandum of agreement made and entered into this	day of	, 10 is an
addition to the PETERSON FARMS, INC. Broiler Growing Contra	act Dated the	day of,
19		
The company agrees to pay a minimum of per poun- PETERSON FARMS, INC. Broiler Growing Contract) for those b after July 1, 1988 and meeting Peterson Broiler House and Equ provided that:	roiler chickens produced	

- 1. The Houses and Equipment are approved by Peterson Farms.
- 2. The Contract Farmer maintains middle cost of production or better on two of the last three flocks produced. The Contract Farmer will receive the guaranteed minimum pay on at least the first two flocks produced after executing this agreement. Compliance with this provision will be based on the current flock and two previous flocks.
- 3. If the contract Farmer has failed to meet the middle cost requirements and has had to settle under the regular broiler contract, he will be put back on the guaranteed minimum when he improves to middle cost of production or better on two of the last three flocks produced, unless the contract has been terminated as per its provisions.
- 4. The terms of this new house addendum is for 30 consecutive flocks beginning with birds placed in a Contract Farmer's house on or after October 1, 1989.
- 5. In the event that a Contract Farmer has both old houses and new houses, only the new houses that meet all of the terms of this agreement shall be subject to receiving the guaranteed minimum pay. The Contract Farmer will have to put two feed bins at all houses on the farm. The Contract Farmer shall be paid the minimum payment which is subject to this addendum according to its terms on a prorate basis (old houses vs. new houses) when the Contract Farmer has birds from both types of housing settled within the same week.
- 6. Live haul manager and broiler production manager will help pick out a building site. The site will be inspected before the dozer leaves and the building starts.

# **EXHIBIT A**

# PETERSON BROILER HOUSE Equipment Supply List For 40' x 400' House

#### **FOUNDATION:**

9" X 8" ditch and 9" wide by 12" high stem wall, with pier holes on 10' centers, 18" deep from bottom of ditch where possible with hand diggers. Two runs of 3/8" rebar.

#### **EXTERIOR WALLS:**

One -  $2" \times 12"$  around the top for freeze board. Two -  $2" \times 12"$  around the bottom walls with 1" styrofoam insulation and corrugated sheet metal with poultry wire on both sides.

#### **ROOF FRAMING:**

No. 3 yellow pine - 2" x 4" purlins.

#### **ROOFING:**

Panel rib type sheet metal (29 gauge).

#### **ENTRANCES:**

10' 6" x 12' openings on both ends with track or hinge doors on each end.

10' 6" x 12' poultry wire screen doors at both ends.

Four 3' ply-co doors, 1 on each side, and one on each end with screen doors.

## INSULATION:

1 - 1/2" Dow Styrofoam on roof or equal R factor on roof. 1" on sides, ends and doors.

#### **MISCELLANEOUS:**

6' or 7' straight leg steel truss. Brooder partition at center of house, feed bin pad according to equipment specifications. 6' x 12' x 4" concrete ramps on both ends. 70' loading area on ends of house - gravelled and well maintained. 4' x 32' x 4" concrete propane tank pads for each house.

Pad - must be approved by Peterson Personnel before contractor starts building.

Any deviation from building and equipment requirements must be approved in writing by Serviceman, Broiler Manager, and the Production Manager.

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# **EXHIBIT B**

# PETERSON BROILER HOUSE Equipment Supply List For 40' x 400' House

NUMBER	ITEM	
2	8.7 ton feed bins and fill systems	
2 lines	Auger feeders	
2	Large power winches	
4	225,000 BTU space heaters	
16	31,000 BTU jet brooders	
4 lines	Closed nipple drinking system - full length of house 10" spacing on both ends Clear curtain both sides	
1	Half-house curtain with pull cords	
2	Automatic curtain machines	
100	2 G.P.H Fogger nozzles	
6	36" fans hinged on north side walls (4 of these used as exhaust fans)	
6	36" fans hinged on south side walls	
8	36" fans winched in center of house	
1	High pressure booster pump, solenoid and thermostat	
2 rows	Lights - 20 foot spacing, staggered 7 watt fluorescent U tubes	
1	Medicator	
1	Water meter	
1	Incinerator or compost shed	
1	Generator to operate houses in case of power failure (20 Kw/house)	
1	Light clock	
1	Feed clock	
1	Thermostat for each sidewall fan, thermostat to hang at fan near center of house	
1	Thermostat for center fans, run thru relay	
1- 5 min. Timer - for one fan on brood end and one fan on grow-out end, thru one relay		
2	Curtain drop on thermostat	
1-5 min.Timer -	for fans winched in center of house, thru one relay	
20	Air inlet doors or 40 3" air cannons	

Any deviation from building and equipment requirements must be approved in writing by Serviceman, Broiler Manager, and the Production Manager.

# **EXHIBIT C**

# PETERSON BROILER HOUSE Equipment Supply List For Contract Increase

Listed below are the required updates for growers to receive the proposed

contract increase.

- 1. Adequate water supply.
- 2. 5 two gallon per hour fogger tips per 1,000 bird capacity.
- 3. 1-90 psi or higher booster pump per house.
- 4. 1-36 inch fan, in good working condition, per 1,100 birds.
- 5. A minimum of 900,000 BTU of space heat (furnace or forced air heaters) per 16,000 sq. ft. to be divided equally among brood and grow-out ends.
- 6. A minimum of 420,000 BTU of brooder type heat in the brood end.
- Any additional brooder heat needed is to accomplished by adding the appropriate number of radiant or jet brooder type stoves only.
- 8. A generator large enough to operate well, fogger pumps and one-half of all fans in all houses on each farm.

All houses on any given farm must meet above requirements before receiving any additional pay. Also, to receive increase in pay, the producer must operate his equipment according to Peterson Farms recommendations.

Any deviation from building and equipment requirements must be approved in writing by Serviceman, Broiler Manager, and the Production Manager.

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Rev: 2-23-87 Rev: 7-10-90

# Peterson Farms, Inc. Breeder Hen Contract

This agreement is made and entered into this $23$ day of $96$ 1998, by an	d between Peterson
Farms, Inc. P.O. Box 248 Decatur, Ar. (Hereinafter referred to as "PETERSON") and whose mailing address is 1 1 37 276 A	Colord Ok
telephone, 9/8-422-6295 (hereinafter referred to as "CONTRACT FARMER").  \$\rho_{\text{page}}  50/-957-9108\$	74338
This contract covers a flock of:	
Broiler Breeders	
Male Line Breeders	
Female Line Breeders	

## A. CONTRACT FARMER agrees to provide at his expense:

Flock Number 450

- 1. Labor, utilities, litter, housing and equipment in the amount and with the specifications as required by PETERSON. House will include an egg room and egg loadout facilities designed to the capacities and specifications required by PETERSON.
- 2. For the care and feeding of the birds as required by PETERSON for the entire time the birds are housed in the CONTRACT FARMERS facilities.
- 3. Adequate and well maintained roads to the poultry houses and feed bins with adequate turn around space for any tractor trailer unit of legal length. Failure to provide adequate roads on the CONTRACT FARMERS property will make him liable for wrecker and towing charges.
- 4. Daily accurate records as required by PETERSON.
- 5. For the disposal of all dead birds, and litter in a manner that is in compliance with all federal, state, and local laws, rules and regulations.

## B. PETERSON agrees to provide at the companies expense:

- 1. Breeding hens and cockerels, feed, medication, nesting material, and spraying supplies.
- 2. Labor and supervision for vaccination, testing, grading, and for catching and loading the remaining birds when PETERSON determines that the flock is to be slaughtered.
- 3. Field service by PETERSON personnel through periodic visits at which time the serviceman will give advice and directives as to any changes that they see that the CONTRACT FARMER needs to make.
- PETERSON will deliver all feed to be fed to the birds covered under this agreement.
- 5. PETERSON will pick up all eggs produced by the birds covered under this agreement.

## C. CONTRACT FARMER Payment:

- 1. For compensation to the CONTRACT FARMER for items provided for under this agreement PETERSON agrees to pay on a weekly basis per square foot of growing floor space in the CONTRACT FARMERS facilities. This payment will start when PETERSON places the first birds in the facilities and will continue through the week that PETERSON removes the last birds from the facilities.
- 2. In addition to the payment in C.1. PETERSON will also pay at the end of the flock a Chick Production Bonus based on all good chicks (as determined by PETERSON hatchery personnel) produced by the flock according to the type of hens housed and according to the following table.

BROILER BREEDER HENS PETERSON MALE LINE HENS PETERSON FEMALE LINE HENS

Payments under item C.1. will be made weekly with checks being mailed out each Friday by U.S. mail.

Payments under item C.2. will be prepared after all chicks from a flock have been hatched and the numbers have been calculated and checked. This payment will be mailed within two weeks after all chicks from a flock have been hatched.

All numbers used in the determination of the CONTRACT FARMER payment will be determined by an authorized PETERSON representative.

# D. Other provisions:

- 1. Title to all live birds, feed, and eggs shall remain the property of PETERSON. The CONTRACT FARMER shall see to it that no birds, eggs or other item that is the property of PETERSON shall be sold or removed from his property by anyone other than a PETERSON employee.
- 2. It is expressly agreed and understood that this agreement does not create, nor attempt to create partnership, either general or limited, between the parties hereto, but is evidence of an independent contract, and an employer-employee relationship does not exist by reason of this agreement and neither party shall have authority to bind nor act on the behalf of the other party except as is herein specifically provided.
- 3. It is agreed that at no time is there to be any other poultry or fowl on the CONTRACT FARMERS property.
- 4. In the event that the CONTRACT FARMER for whatever reason shall fail to comply with the terms of this agreement, or fail to follow directives as set forth be PETERSON servicemen in the care of the birds, PETERSON shall then have the right to enter upon the CONTRACT FARMERS property and take possession of said poultry during the remainder of their productive life without court order or writ. In the event this should happen the responsibility for any extra expenses to PETERSON shall revert to the CONTRACT FARMER.
- 5. PETERSON shall have the right of access at all times to the CONTRACT FARMERS premises in which PETERSON birds are grown.

- 6. PETERSON DOES NOT WARRANT QUALITY, MERCHANTABILITY, FITNESS FOR PURPOSE OR OTHERWISE WARRANT ANY PROPERTY DELIVERED OR RECOMMENDED BY IT TO THE CONTRACT FARMER.
- 7. PETERSON shall have the sole right to determine when birds covered under this agreement are to be disposed of. It is understood that this could be due to any reason that in PETERSONS opinion causes retaining to flock to not be economically feasible.
- 8. CONTRACT FARMER warrants that he will not use or allow to be used during the period of this agreement any feed, medication, herbicides, pesticides, rodentecides, or insecticides or any other item except as supplied or approved by a PETERSON serviceperson.
- 9. It is expressly understood and agreed between the parties hereto that the terms of this agreement shall be automatically renewed for a successive batch of poultry and shall continue on the same terms and provisions for such successive batch until same is canceled or terminated by either party. Such right of termination shall exist only when a batch is marketed and in the event that either party desires to terminate this agreement at such time may do so with or without cause or liability to the other party by delivering to the other party written notice either by certified mail or personal delivery.
- 10. PETERSON reserves the right to determine the number and type of birds to be placed in the CONTRACT FARMERS facilities.

PETERSON reserves the right to modify the terms, conditions or requirements of this contract at its discretion with the said modifications to be effective on the next flock placement. The CONTRACT FARMER will have the right to sign a modified contract or terminate the contractual agreement at anytime after the contract modification date and prior to the booking of his next flock of birds.